

THE UNEMPLOYMENT REVOLUTION

Jim Macken

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Jim Macken has spent his working life in industrial relations, as a union leader, an industrial law barrister, and finally a judge of the Industrial Relations Commission of NSW, from which he retired in 1989.

In his short book, which follows on from his earlier work, entitled 'Award Restructuring', Macken gives his views on the contemporary employment scene and suggests solutions to current problems as he perceives them. The reflections of a former leading player in the field should be of considerable interest to the business community, in spite of, or perhaps because of, his strong views. Make no mistake, Jim Macken, is trenchantly opposed to 'economic rationalism' and the development of what he terms the 'corporate state', which he castigates as false doctrines. Salvation he believes, will come from strong unions and the development of labour co-operatives, both sadly lacking at present. Current union policies also come in for strong criticism.

Jim Macken's thesis is that in the world of work, there are at the present time, changes taking place which are of such magnitude and on such a scale that they go far beyond the evolutionary processes to which we are accustomed and amount to a revolution in employment. This employment revolution is to be seen as coming within the broader context of the so called cultural revolution which is said to have swept the western world with gathering force since the 1960's and which had led to a crisis in the very foundations of our society - 'in the family, in the churches, the army, the economy, the arts ... everything'. Each of these changes has, in Macken's view, been a bad thing. There are those who would disagree. Essentially what has happened, says Macken in this key passage, is the dehumanisation of work:

Perhaps of greatest immediate impact on the performance of work may seem to be the economic revolution. The capitalist system prior to the 1960's, for all its faults, was at least made up of men and women who owned the capital in the form of shares in the corporations by which workers were employed. The flowing of Ceccho's 'greed is good' philosophy and the entrepreneurial excesses of the 1980's are not half as significant as the change from human corporate ownership to

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corporate ownership of corporations which is the fact of economic life in the 1990's. For the first time in history beings are now working for 'things' and the fact that the 'things' operate through human managers does not involve the 'things' having human feelings or responses. For this reason (among others) modern corporations are unable to see why it is that their employees resent being subject to the corporation's 'human resource manager'.

No book on the changes which have occurred in employment law would be complete without tracing the historical and legal background of the law of master and servant, the non-employee sector of the workforce, the performance of the employment contract, its termination, and the rise of temporary employment agencies and independent contractors. In chapters on these topics, Macken provides a useful sketch, particularly of the historically central role that the common law has played in the development of the law of employment. He is a strong believer of the adaptability and resilience of the common law, asserting that 'it may be slow to speak but when it does justice is done and freedom preserved'. Many would respond that the common law has been far too slow to speak far too often. His assertion that 'servitude is a very efficient form of labour engagement' is also open to question. More to the point, however, is Lord Henley LC's statement that 'necessitous men are not, truly speaking, free men, but to answer a present exigency, will submit to any terms that the crafty may impose on them'.¹ Macken believes (not without justification) that these words have renewed relevance in today's world of work.

What evidence does Macken have to support his thesis? In a chapter called 'The Philosophy of the cultural revolution' Macken says we have gone back to the bad old days. 'The lemming like rush to deregulate everything that characterised the industrial revolution of the 18th century finds reflection in the economics of the 1980's and 1990's... The destructive potential of lunatic liberalism is no less today than it was in the 18th century'. In fact, he says, this round is in some ways even worse because of the pervasive influence of the International Monetary Fund which has applied and extended these philosophies world-wide. In an uncaring world, the rich got richer and the poor, poorer, and so it will continue until there is a change in attitude. The so-called 'caring nineties', he sees as a myth.

The 'corporate state', is another villain of the piece. As the poet Thurlow says of a corporation, it 'has no body to be kicked and no soul to be damned'. Today, when corporations own corporations, and the human element has been largely removed we have a managerial ruling class ruling over conscienceless corporations which, because of their

1. *Vernon v. Bethel* (1762) 2 Eden 110 at p. 113.

control of investment savings and superannuation funds, are far too powerful. They reduce human beings to mere human resources and have become the 'corporate state' which rules us.

The rise in unemployment is seen as a direct result of the 'lemming-like rush to deregulate and abandon protection'. Casual and part-time employment and temporary employment agencies, such as Troubleshooters, are seen as ways of lowering wages for workers who are unprotected by unions. Freedom of contract is seen as economic servitude, in a 'post - Taylorist' society where the aim is to improve the productive process, despite the dehumanisation of the workplace.

What has been the union movement's response to the challenge of the structural change which has occurred in employment? Not much and most of it wrong, according to Macken. In the face of a progressive decline in numbers, the union movement has compounded the problem by a policy of amalgamations and the creation of maxi-unions. While the whole world appears to be devolving downwards in its institutions, the union movement is adopting policies of centralism, which cut across traditional loyalties, and diminishes the union movement at the very time when strong unions are most needed. The unions are run for and on behalf of the employees in stable full time employment, but the very people who are most vulnerable, in an age of 'freeing up the workplace', and need union protection most - the unemployed, contractors, casual and part-time employees - are the least unionised.

This is strong criticism, but Macken does believe there are things that can be done to be taken to alleviate the perceived problems. He believes a fundamental change in attitude towards work and of workers is needed and that the unions have a central role to play in this transformation. On the one hand, employees should not be seen simply as 'human resources' - that is putting economics before people. On the other hand, the unions must come to grips with the changing nature of employment. Macken asserts that it is every employee's right to belong to a union and that it is through the union movement that perceived problems may be addressed. He believes vocational unionism can flourish along side enterprise unionism 'if membership of a bona fide union be recognised as a qualification to work as a unionist anywhere'. He advocates the issuing of a universal 'OK card' to unionists, which would enable them to work anywhere, and would greatly boost union membership which would in turn promote the dignity and value of labour. But the future role for the Industrial Relations Commission, for the centralised wage fixing system, and for enterprise bargaining receive surprisingly little space.

At the same time, the perceived problem of the temporary employment agencies and independent contractors can be solved by using as a model the Hunter Labour Co-operative which was formed in Newcastle in May 1986 and which operates successfully, employment and training agencies in the Hunter region. Macken advocates the

development of such co-operatives throughout Australia as a means to empowering employees, through their unions.

While there is nothing new in Macken's central belief - the dignity of labour - this book does help to re-focus attention on this fundamental issue and also on the need for the union movement to come to grips with the contemporary employment scene. It is a useful addition to the current debate on industrial relations.